



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D.C. 20410-9000

THE GOVERNMENT NATIONAL  
MORTGAGE ASSOCIATION

October 24, 2000

00-15

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: George S. Anderson, Executive Vice President

SUBJECT: Announcement of Ginnie Mae Mark-To-Market Product for  
Multifamily Issuers

Ginnie Mae has developed a Mark-To-Market Loan Security Program for loans originated under HUD's Office of Multifamily Housing Assistance Restructuring ("OMHAR"). Multifamily issuers may begin to submit loans not currently supported by one of Ginnie Mae's existing multifamily programs to Ginnie Mae's pool processing agent, Chase Manhattan Bank, for December 1, 2000, issuance. Securities backed by a Mark-To-Market mortgages are distinguishable from other Ginnie Mae project loan securities by the suffix "RX" in each certificate number.

Issuers delivering loans under the Mark-To-Market program are required to meet all the requirements applicable to PL, PN, LM, or LS securitization as explained in Chapter 31 of Ginnie Mae Guide 5500.3. For pool and document submission requirements, refer to Chapter 31, Sections 11 and 12.

In addition to the requirements for a PL, PN, LM, or LS pool, a Mark-To-Market loan pool ("RX") requires the following:

- (1) While there is a minimum of one loan per pool, there may be multiple loans included in one pool, with no pool issued below the \$250,000 minimum. Loans less than \$250,000 may be aggregated into one pool.
- (2) All loans in a Mark-To-Market pool must have the same interest rate.
- (3) All loans in a Mark-To-Market pool must be serviced by

the same multifamily issuer.

- (4) For Mark-To-Market loan pools, the security rate must be at least 50 basis points less than the mortgage rate. The 50 basis points would include the 13 basis point guaranty fee, giving the issuer a minimum servicing fee of 37 basis points.

The prospectus for the Mark-To-Market loan securities must include on the face of the prospectus the words "MARK-TO-MARKET LOAN SECURITY". Further, an additional paragraph is to be typed onto the last page of the standard prospectus on the "ANNEX-SPECIAL DISCLOSURE" as follows: "The pooled mortgage(s) is (are) a Mark-To-Market loan(s)". See Appendix IV-9 for Form HUD 1724, "Prospectus - Project Loan Securities".

Issuers are also reminded to use the RX pool type when reporting these pools to Ginnie Mae. Please refer to Chapter 14 (Pool and Loan Package Administration-General) and Appendix VI (Pool Administration) in Ginnie Mae Guide 5500.3 for details.

Programmatic requirements for the Mark-To-Market program are fully explained in OMHAR's Operating Procedures Guide.

The revised guide pages are attached. Questions regarding this memorandum should be addressed to your respective Ginnie Mae Multifamily Account Executive at (202)708-2043.

Attachment 1 - Table of Contents  
Attachment 2 - Glossary  
Attachment 3 - Chapter 1  
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